



U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

July 16, 2008

The Honorable Charles E. Grassley  
United States Senate  
Washington, D.C. 20510

Dear Senator Grassley:

This responds to your letter, dated July 10, 2008, concerning actions of the United States Trustee Program to address the impact of the recent Midwest floods and tornadoes on those who may seek bankruptcy relief. The Bankruptcy Code allows us to address the special needs of flood victims.

The Executive Office for United States Trustees reissued its guidance on enforcement discretion after the beginning of the Midwest floods. Those guidelines worked well in the aftermath of Hurricane Katrina. They apply to all natural disaster victims, including those affected by the recent Midwest floods and tornadoes. Among other things, these guidelines provide that Program attorneys will deem financial hardships caused by the floods to be a "special circumstance" for purposes of applying the statutory means test governing eligibility for chapter 7 relief. The guidelines also provide for flexibility in United States Trustee enforcement of various Bankruptcy Code provisions, including deadlines for the production of financial documents by debtors whose personal papers may have been destroyed by the floods. The United States Trustees in areas impacted by the floods are closely monitoring the availability of credit counseling services and will waive the requirement if any districts qualify under the statutory standard. To date, the bankruptcy system is fully operational in Iowa and debtors in need of relief are able to file their bankruptcy petitions.

We hope this information is responsive to your request. Please let us know if we may provide any additional information that may assist you and your constituents in dealing with the recent Iowa flood and tornado disasters.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Nelson", with a long horizontal flourish extending to the right.

Keith B. Nelson  
Principal Deputy Assistant Attorney General